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5 Proposed Counsel for the Debtor

6 **UNITED STATES BANKRUPTCY COURT**
7 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

8 San Francisco Division

9
10 In re Case No. 22-30126 HLB
11 BIJOU-CENTURY, LLC Chapter 11
12
13 Debtor

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16 **DECLARATION OF JOSEPH CAROUBA**
17 **IN SUPPORT OF SUB-CHAPTER V PETITION**
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20 I, Joseph Carouba, do hereby declare:

21 1. I am an individual, over the age of 18. I am the Manager of Bijou-Century, LLC (the
22 “Debtor”).

23 2. Attached hereto as Exhibit A is a true and correct copy of resolutions of the Manager of the
24 Debtor at which the filing of a Petition for relief under Sub-Chapter V of Chapter 11 of the Bankruptcy
25 Code was approved. Those resolutions also provide for the designation of Joseph Carouba and Gary
26 Marlin as the “Responsible Individuals” to act on behalf of the Debtor in these proceedings.
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1 3. Attached hereto as Exhibit B is a true and correct copy of the Debtor's most recent internal
2 financial statement.

3 4. The Debtor is a disregarded entity for tax purposes, with its circumstances reported on the
4 tax returns of its sole member. Attached hereto as Exhibit C is a true and correct copy of the most
5 recent tax return of the Debtor's sole member.
6

7 I declare under penalty of perjury according to the laws of the United States of America that the
8 foregoing is true and correct. Executed this 12th day of March, 2022 at San Francisco, California.
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10 /s/ Joseph Carouba.
11 Joseph Carouba
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Exhibit

A

RESOLUTION

The undersigned (the "Manager"), being the sole manager of Bijou-Century, LLC (the "Company"), a Nevada limited liability company, hereby approves and adopts the following resolutions in lieu of a meeting, which shall be effective as of March 9, 2022:

WHEREAS, the undersigned has reviewed the Company's financial situation, prospects, assets and liabilities and the interests of the creditors and equity holders of the Company.

WHEREAS, the Company is defending litigation, which litigation the Company cannot afford to defend and has been unable to settle.

WHEREAS, the Company is presently unable to continue operations and preserve the good will of the businesses as a going-concern without seeking protection under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code").

WHEREAS, the Company has determined that if its debts are reorganized in an orderly fashion through Chapter 11, there is a substantial likelihood that the Company will be able to reorganize and remain in business.

WHEREAS, it appears to the undersigned that it is in the best interest of the Company, its creditors and its equity holders is to commence a case under Chapter 11 of the Bankruptcy Code.

NOW, THEREFORE, BE IT

RESOLVED, that the filing by this Company of a petition for relief under Subchapter V of Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of California be, and it hereby is, authorized and approved.

RESOLVED FURTHER, that Joseph Carouba and Gary Marlin are both appointed, authorized and directed to act, separately and independently, as the "Responsible Individual" for the Company as may be required by Local Bankruptcy Rules the Northern District of California and fulfill all of the responsibilities of such position.

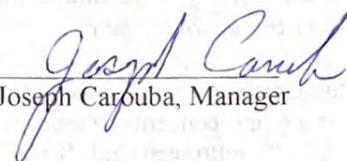
RESOLVED FURTHER that the Manager and the Responsible Individuals are empowered and directed without further action to prepare, sign and file, or cause to be prepared, signed and filed and prosecuted, a petition for relief under Chapter 11 of the Bankruptcy Code, and all agreements, instruments and documents necessary to effect a Chapter 11 Plan and all instruments useful and necessary to the confirmation and implementation of such Plan.

RESOLVED FURTHER that the Manager is authorized, empowered and directed to retain St. James Law, P.C ("Counsel") to commence and prosecute the aforementioned Chapter 11 case and to do all things, and to prepare, sign and file all papers or documents necessary or proper to the prosecution of said Chapter 11 case; and Counsel is authorized to take such actions in the

bankruptcy case which Counsel, in its discretion, concludes are necessary to Counsel's and/or the Company's fulfillment of its fiduciary obligations in the bankruptcy case.

RESOLVED FURTHER that the Company shall pay to Counsel a retainer in the amount of \$30,000, which Counsel shall have and hold as security for the payment for the services it shall perform, and which Counsel shall be authorized to draw upon from time to time in its discretion and services are performed.

RESOLVED FURTHER that the Manager and the Responsible Individuals are authorized to engage such other and further professionals and to take such other actions as may seem to them fitting and appropriate in order effectively and successfully to prosecute the Company's Chapter 11 case.



Joseph Caruba, Manager

Exhibit

B

Bijou Century, LLC
Balance Sheet
As of December 31, 2021 and 2020

Assets

	2021	2020
Current Assets		
Cash On Hand	\$ 18,676.00	\$ 49,838.00
ATM Cash On Hand	20,000.00	20,000.00
Cash in Bank-Bank of America	100,695.79	335,001.45
Cash in Bank-Savings	0.00	0.01
Cash in Bank Savings - Unfunded	0.00	704,650.00
Cash Clearing	0.00	(9,867.89)
PR Stale Checks	(4,077.81)	0.00
ERTC-Employee Retention Tax Credit	379,545.94	0.00
Note Receivable-BT California	854,698.89	837,788.66
Inventory	2,166.66	1,553.42
Prepaid Insurance	20,345.12	26,568.87
Prepaid Expenses	28,051.15	28,969.57
Total Current Assets	<u>1,420,101.74</u>	<u>1,994,502.09</u>
Property and Equipment		
Furniture & Fixture	149,381.83	149,381.83
Equipment	355,332.75	355,332.75
Leasehold Improvements	743,623.18	743,623.18
Less Accumulated Depreciation	(638,328.24)	(620,034.11)
Net Property and Equipment	<u>610,009.52</u>	<u>628,303.65</u>
Total Assets	<u>\$ 2,030,111.26</u>	<u>\$ 2,622,805.74</u>

Bijou Century, LLC
Balance Sheet
As of December 31, 2021 and 2020

Liabilities and Partners' Equity

	2021	2020
Current Liabilities		
Accounts Payable -Trade	\$ 221,872.78	\$ 808,618.27
Note Payable-Gold Club-SF, LLC	254,583.26	249,546.33
Note Payable-Roaring 20's	0.00	6,384.50
Note Payable-SAW Ent-Con/Hus	5,507.85	0.00
Note Payable - PPP Loan	696,670.00	696,670.00
Loan Payable-Rhee Settlement	137,613.72	0.00
Loan Payable-Rhee Settlement Fees	50,083.33	0.00
Accrued Salaries & Wages	33,700.00	4,000.00
Deferred Social Security - CARES	3,365.10	6,632.47
Accrued State Sales Tax	825.00	0.00
Accrued Use Tax	55.00	0.00
Total Current Liabilities	<u>1,404,276.04</u>	<u>1,771,851.57</u>
Long-Term Liabilities		
Total Long-Term Liabilities	<u>0.00</u>	<u>0.00</u>
Total Liabilities	<u>1,404,276.04</u>	<u>1,771,851.57</u>
Partners' Equity		
Members' Equity	625,835.22	850,954.17
Total Partners' Equity	<u>625,835.22</u>	<u>850,954.17</u>
Total Liabilities and Partners' Equity	<u>\$ 2,030,111.26</u>	<u>\$ 2,622,805.74</u>

Bijou Century, LLC
Statement of Members' Equity

	12 Months Ended December 31, 2021	12 Months Ended December 31, 2020
Beginning Members' Equity	\$ 850,954.17	\$ 1,144,102.10
Plus Net Income	(225,118.95)	(293,147.93)
Less Distributions Paid	0.00	0.00
Ending Members' Equity	<u>\$ 625,835.22</u>	<u>\$ 850,954.17</u>

Bijou Century, LLC
Income Statement

	1 Month Ended December 31, 2021	Percent	1 Month Ended December 31, 2020	Percent	12 Months Ended December 31, 2021	Percent	12 Months Ended December 31, 2020	Percent
Sales								
Door Admissions	\$ 13,585.00	4.90 %	\$ 0.00	0.00 %	\$ 173,260.00	6.52 %	\$ 68,660.00	6.66 %
Food & Beverage Sales	2,459.17	0.89	0.00	0.00	26,868.01	1.01	4,078.18	0.40
Dances	218,280.00	78.66	0.00	0.00	2,068,235.00	77.79	786,920.00	76.33
Miscellaneous	43,172.00	15.56	0.00	0.00	390,212.00	14.68	171,250.00	16.61
Total Sales	277,496.17	100.00	0.00	0.00	2,658,575.01	100.00	1,030,908.18	100.00
Cost of Goods Sold								
Food & Beverage Cost of Goods	1,485.54	0.54	1,329.36	0.00	14,001.76	0.53	4,602.35	0.45
Total Cost of Goods Sold	1,485.54	0.54	1,329.36	0.00	14,001.76	0.53	4,602.35	0.45
Gross Profit	276,010.63	99.46	(1,329.36)	0.00	2,644,573.25	99.47	1,026,305.83	99.55
Operating Expenses								
Payroll Wage & Salary - Club	35,718.85	12.87	(8,056.70)	0.00	323,557.55	12.17	161,110.56	15.63
Payroll Bonus	500.00	0.18	0.00	0.00	500.00	0.02	200.00	0.02
Salaries & Wages-Entertainers	30,199.32	10.88	937.84	0.00	184,698.66	6.95	48,077.51	4.66
Payroll Taxes - Club	3,950.42	1.42	269.41	0.00	40,319.52	1.52	21,167.51	2.05
Payroll Taxes - Entertainers	3,905.34	1.41	337.04	0.00	79,572.53	2.99	59,012.22	5.72
Payroll Medical	3,062.82	1.10	9,793.28	0.00	16,613.58	0.62	3,657.90	0.35
Payroll Services	0.00	0.00	659.62	0.00	4,449.16	0.17	6,085.11	0.59
Advertising - Sales & Promo	1,336.76	0.48	317.60	0.00	10,171.52	0.38	7,220.09	0.70
Bank Charges	227.23	0.08	149.58	0.00	2,276.72	0.09	1,993.78	0.19
Bankcard Fees/Discounts	7,700.66	2.78	975.75	0.00	50,781.73	1.91	30,358.02	2.94
Bankcard Chargebacks	(14,034.97)	(5.06)	0.00	0.00	0.00	0.00	991.41	0.10
ATM Service Fee	64.00	0.02	0.00	0.00	993.50	0.04	510.50	0.05
POS Trans Fee	47.92	0.02	7.52	0.00	403.04	0.02	189.20	0.02
Over/Short Cash	4.80	0.00	0.00	0.00	22.10	0.00	14.34	0.00
ClubTrax Dollars Over/Short	0.00	0.00	0.00	0.00	300.00	0.01	4,000.00	0.39
Commissions	113,578.00	40.93	1,629.60	0.00	1,088,646.80	40.95	428,693.60	41.58
Dues & Subscriptions	70.37	0.03	22.50	0.00	5,977.69	0.22	1,469.50	0.14
Insurance	3,503.08	1.26	5,649.19	0.00	79,523.07	2.99	60,370.31	5.86
Janitorial Supplies/Services	4,235.57	1.53	0.00	0.00	39,928.91	1.50	19,535.21	1.89
Legal	52,316.88	18.85	16,611.32	0.00	375,664.68	14.13	168,960.99	16.39
Licenses	0.00	0.00	0.00	0.00	2,846.99	0.11	4,756.40	0.46
Management Fees	24,000.00	8.65	(671,500.00)	0.00	424,600.00	15.97	(263,500.00)	(25.56)
Office Supply	90.14	0.03	0.00	0.00	452.00	0.02	521.42	0.05
Postage & Freight Out Charges	0.00	0.00	0.00	0.00	26.76	0.00	321.54	0.03
Printing & Stationary	0.00	0.00	298.75	0.00	2,232.18	0.08	884.17	0.09
Promotions	800.00	0.29	0.00	0.00	14,403.16	0.54	16,940.84	1.64

Bijou Century, LLC
Income Statement

	1 Month Ended December 31, 2021	Percent	1 Month Ended December 31, 2020	Percent	12 Months Ended December 31, 2021	Percent	12 Months Ended December 31, 2020	Percent
Repair & Maintenance-Building	255.81	0.09	528.29	0.00	5,772.01	0.22	7,689.14	0.75
Repair & Maintenance-Equipment	568.83	0.20	0.00	0.00	11,007.22	0.41	5,119.71	0.50
Security	8,488.00	3.06	0.00	0.00	84,240.73	3.17	92,335.28	8.96
Supplies	1,151.49	0.41	79.06	0.00	5,471.36	0.21	1,168.80	0.11
Taxes-Business	5.30	0.00	0.00	0.00	10,526.21	0.40	4,389.62	0.43
Telephone	464.56	0.17	407.78	0.00	5,385.62	0.20	4,686.92	0.45
Travel	0.00	0.00	0.00	0.00	126.34	0.00	0.00	0.00
Utilities	3,917.11	1.41	2,289.30	0.00	36,936.38	1.39	30,163.54	2.93
Vehicle	59.08	0.02	65.52	0.00	665.82	0.03	639.12	0.06
Professional Services	0.00	0.00	0.00	0.00	1,594.23	0.06	1,310.00	0.13
Accounting Services	3,428.00	1.24	(9,500.84)	0.00	38,442.19	1.45	25,228.60	2.45
Consulting Fees-Global Mgmt	0.00	0.00	0.00	0.00	0.00	0.00	10,208.12	0.99
Depreciation Expense	1,524.54	0.55	1,524.54	0.00	18,294.13	0.69	18,294.14	1.77
Rent	(163,894.00)	(59.06)	(101,632.50)	0.00	289,699.00	10.90	341,668.50	33.14
Taxes-Property	3,470.94	1.25	3,621.12	0.00	42,570.01	1.60	42,099.30	4.08
Total Operating Expenses	130,716.85	47.11	(744,515.43)	0.00	3,299,693.10	124.12	1,368,542.92	132.75
Operating Income (Loss)	145,293.78	52.36	743,186.07	0.00	(655,119.85)	(24.64)	(342,237.09)	(33.20)
Other Income (Expenses)								
Miscellaneous Income	183,194.54	66.02	1,000.00	0.00	391,613.79	14.73	22,819.44	2.21
ATM Transaction Income	1,825.00	0.66	0.00	0.00	31,136.00	1.17	14,277.00	1.38
Interest Income	1,422.13	0.51	1,394.00	0.00	16,910.22	0.64	16,737.97	1.62
Miscellaneous Expense	(200.00)	(0.07)	0.00	0.00	(200.00)	(0.01)	0.00	0.00
Interest Expense	(754.42)	(0.27)	(425.84)	0.00	(9,459.11)	(0.36)	(4,745.25)	(0.46)
Total Other Income (Expenses)	185,487.25	66.84	1,968.16	0.00	430,000.90	16.17	49,089.16	4.76
Net Income (Loss) Before Taxes	330,781.03	119.20	745,154.23	0.00	(225,118.95)	(8.47)	(293,147.93)	(28.44)
Net Income (Loss)	\$ 330,781.03	119.20 %	\$ 745,154.23	0.00 %	\$ (225,118.95)	(8.47)%	\$ (293,147.93)	(28.44)%

Exhibit

C

Form **1065**Department of the Treasury
Internal Revenue Service**U.S. Return of Partnership Income**

OMB No. 1545-0123

For calendar year 2020, or tax year beginning _____, ending _____.
► Go to www.irs.gov/Form1065 for instructions and the latest information.**2020**

A Principal business activity Entertainmen	Name of partnership Little Darlings of San Francisco, L	D Employer identification number [REDACTED]
B Principal product or service Juice Bar	Number, street, and room or suite no. If a P.O. box, see instructions. 8252 E Lansing Rd	E Date business started 07/05/1996
C Business code number 713900	City or town, state or province, country, and ZIP or foreign postal code Durand MI 48429	F Total assets (see instructions) \$ 3,091,392

G Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return
H Check accounting method: (1) Cash (2) Accrual (3) Other (specify) ►

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ► **4**

J Check if Schedules C and M-3 are attached ►

K Check if partnership: (1) Aggregated activities for section 465 at-risk purposes (2) Grouped activities for section 469 passive activity purposes

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See instructions for more information.

Income	1a Gross receipts or sales	1a	1,482,950	
	b Returns and allowances	1b		
	c Balance. Subtract line 1b from line 1a	1c	1,482,950	
	2 Cost of goods sold (attach Form 1125-A)	2	13,911	
	3 Gross profit. Subtract line 2 from line 1c	3	1,469,039	
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)	4		
	5 Net farm profit (loss) (attach Schedule F (Form 1040))	5		
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6		
7 Other income (loss) (attach statement)	7			
8 Total income (loss). Combine lines 3 through 7	8	1,469,039		
Deductions (see instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)	9	931,802	
	10 Guaranteed payments to partners	10		
	11 Repairs and maintenance	11	21,459	
	12 Bad debts	12		
	13 Rent	13	536,056	
	14 Taxes and licenses	14	200,778	
	15 Interest (see instructions)	15	12,326	
	16a Depreciation (if required, attach Form 4562)	16a	24,154	
	b Less depreciation reported on Form 1125-A and elsewhere on return	16b		
	17 Depletion (Do not deduct oil and gas depletion.)	16c	24,154	
	18 Retirement plans, etc.	17		
	19 Employee benefit programs	18		
	20 Other deductions (attach statement)	19	13,654	
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20	20	370,085	
	22 Ordinary business income (loss). Subtract line 21 from line 8	21	2,110,314	
	22	-641,275		
Tax and Payment	23 Interest due under the look-back method—completed long-term contracts (attach Form 8697)	23		
	24 Interest due under the look-back method—income forecast method (attach Form 8866)	24		
	25 BBA AAR imputed underpayment (see instructions)	25		
	26 Other taxes (see instructions)	26		
	27 Total balance due. Add lines 23 through 26	27		
	28 Payment (see instructions)	28		
	29 Amount owed. If line 28 is smaller than line 27, enter amount owed	29		
	30 Overpayment. If line 28 is larger than line 27, enter overpayment	30		

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than partner or limited liability company member) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below? See instructions. Yes No

Paid Preparer Use Only	Signature of partner or limited liability company member Angela Swank	Preparer's signature Modern Bookkeeping	Date	Check <input type="checkbox"/> if self-employed	PTIN P00645043
	Firm's name ► Modern Bookkeeping	Firm's EIN ► [REDACTED]			
	Firm's address ► 8252 E Lansing Rd Durand, MI	48429-1059	Phone no.	989-288-2643	

For Paperwork Reduction Act Notice, see separate instructions.

Form **1065** (2020)

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Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box:						Yes	No
a <input type="checkbox"/> Domestic general partnership	b <input type="checkbox"/> Domestic limited partnership						
c <input checked="" type="checkbox"/> Domestic limited liability company	d <input type="checkbox"/> Domestic limited liability partnership						
e <input type="checkbox"/> Foreign partnership	f <input type="checkbox"/> Other u						
2 At the end of the tax year:							
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership						X	
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership						X	
3 At the end of the tax year, did the partnership:							
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below						X	
(i) Name of Corporation		(ii) Employer Identification Number (if any)	(iii) Country of Incorporation			(iv) Percentage Owned in Voting Stock	
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below						X	
(i) Name of Entity		(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization		(v) Maximum Percentage Owned in Profit, Loss, or Capital	
4 Does the partnership satisfy all four of the following conditions?							
a The partnership's total receipts for the tax year were less than \$250,000.						X	
b The partnership's total assets at the end of the tax year were less than \$1 million.						X	
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.						X	
d The partnership is not filing and is not required to file Schedule M-3						X	
If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; item F on page 1 of Form 1065; or item L on Schedule K-1.						X	
5 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?							
6 During the tax year, did the partnership have any debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?						X	
7 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?						X	
8 At any time during calendar year 2020, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country u						X	
9 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions						X	
10a Is the partnership making, or had it previously made (and not revoked), a section 754 election?						X	
See instructions for details regarding a section 754 election.						X	
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions						X	

Schedule B Other Information (continued)

	Yes	No
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions	X	
11 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year)	► <input type="checkbox"/>	
12 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?	X	
13 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), enter the number of Forms 8858 attached. See instructions	► 0	
14 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership	►	X
15 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return	► 0	
16a Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions	X	
b If "Yes," did you or will you file required Form(s) 1099?	X	
17 Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return	► 0	
18 Enter the number of partners that are foreign governments under section 892	► 0	
19 During the partnership's tax year, did the partnership make any payments that would require it to file Form 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474)?	X	
20 Was the partnership a specified domestic entity required to file Form 8938 for the tax year? See the Instructions for Form 8938	X	
21 Is the partnership a section 721(c) partnership, as defined in Regulations section 1.721(c)-1(b)(14)?	X	
22 During the tax year, did the partnership pay or accrue any interest or royalty for which one or more partners are not allowed a deduction under section 267A? See instructions	X	
If "Yes," enter the total amount of the disallowed deductions	► \$	
23 Did the partnership have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions	X	
24 Does the partnership satisfy one or more of the following? See instructions	X	
a The partnership owns a pass-through entity with current, or prior year carryover, excess business interest expense.		
b The partnership's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the partnership has business interest.		
c The partnership is a tax shelter (see instructions) and the partnership has business interest expense.		
If "Yes" to any, complete and attach Form 8990.		
25 Is the partnership electing out of the centralized partnership audit regime under section 6221(b)? See instructions. If "Yes," the partnership must complete Schedule B-2 (Form 1065). Enter the total from Schedule B-2, Part III, line 3	► _____	X
If "No," complete Designation of Partnership Representative below.		

Designation of Partnership Representative (see instructions)

Enter below the information for the partnership representative (PR) for the tax year covered by this return.

Name of PR ► [REDACTED]		
U.S. address of PR ► 8252 E Lansing Rd Durand MI 48429		U.S. phone number of PR ► [REDACTED]
If the PR is an entity name of the designated individual for the PR ► [REDACTED]		
U.S. address of designated individual ► [REDACTED]		U.S. phone number of designated individual ► [REDACTED]

26 Is the partnership attaching Form 8996 to certify as a Qualified Opportunity Fund? If "Yes," enter the amount from Form 8996, line 16	► \$	X
27 Enter the number of foreign partners subject to section 864(c)(8) as a result of transferring all or a portion of an interest in the partnership or of receiving a distribution from the partnership	► 0	
28 At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8?		X
29 Since December 22, 2017, did a foreign corporation directly or indirectly acquire substantially all of the properties constituting a trade or business of your partnership, and was the ownership percentage (by vote or value) for purposes of section 7874 greater than 50% (for example, the partners held more than 50% of the stock of the foreign corporation)? If "Yes," list the ownership percentage by vote and by value. See instructions.		
Percentage: By Vote _____	By Value _____	X

Schedule K Partners' Distributive Share Items		Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1 -641,275
	2 Net rental real estate income (loss) (attach Form 8825)	2
	3a Other gross rental income (loss)	3a
	b Expenses from other rental activities (attach statement)	3b
	c Other net rental income (loss). Subtract line 3b from line 3a	3c
	4 Guaranteed payments: a Services 4a	b Capital 4b
	c Total. Add lines 4a and 4b	4c
	5 Interest income	5 19,405
	6 Dividends and dividend equivalents: a Ordinary dividends	6a
	b Qualified dividends 6b	c Dividend equivalents 6c
	7 Royalties	7
Deductions	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8
	9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a
	b Collectibles (28%) gain (loss)	9b
	c Unrecaptured section 1250 gain (attach statement)	9c
	10 Net section 1231 gain (loss) (attach Form 4797)	10 -45,902
	11 Other income (loss) (see instructions) Type u	11
	12 Section 179 deduction (attach Form 4562)	12
	13a Contributions	13a
	b Investment interest expense	13b
	c Section 59(e)(2) expenditures: (1) Type u	(2) Amount u 13c(2)
Self-Employment	d Other deductions (see instructions) Type u	13d
	14a Net earnings (loss) from self-employment	14a
	b Gross farming or fishing income	14b
	c Gross nonfarm income	14c
Credits	15a Low-income housing credit (section 42(j)(5))	15a
	b Low-income housing credit (other)	15b
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	15c
	d Other rental real estate credits (see instructions)	Type u 15d
	e Other rental credits (see instructions)	Type u 15e
	f Other credits (see instructions)	Type u See Statement 2 15f 10,066
Foreign Transactions	16a Name of country or U.S. possession u	16a
	b Gross income from all sources	16b
	c Gross income sourced at partner level	16c
	Foreign gross income sourced at partnership level	
	d Reserved for future use u	e Foreign branch category u 16e
	f Passive category u	g General category u h Other (att. statement) u 16h
	Interest expense u	j Other u 16j
	Deductions allocated and apportioned at partner level	
	k Reserved for future use u	l Foreign branch category u 16l
	m Passive category u	n General category u o Other u 16o
	p Total foreign taxes (check one): u Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	16p
	q Reduction in taxes available for credit (attach statement)	16q
Alternative Minimum Tax (AMT) Items	r Other foreign tax information (attach statement)	
	17a Post-1986 depreciation adjustment	17a
	b Adjusted gain or loss	17b
	c Depletion (other than oil and gas)	17c
	d Oil, gas, and geothermal properties – gross income	17d
	e Oil, gas, and geothermal properties – deductions	17e
Other Information	f Other AMT items (attach statement)	17f
	18a Tax-exempt interest income	18a
	b Other tax-exempt income	18b
	c Nondeductible expenses	18c 10,922
	19a Distributions of cash and marketable securities	19a
Other	b Distributions of other property	19b
	20a Investment income	20a 19,405
	b Investment expenses	20b
	c Other items and amounts (attach statement)	See Statement 4

Analysis of Net Income (Loss)

1	Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16p	1	-667,772
2	Analysis by partner type:		
a	General partners	(i) Corporate	(ii) Individual (active)
b	Limited partners	(iii) Individual (passive)	(iv) Partnership
		(v) Exempt Organization	(vi) Nominee/Other
	-407,340	-166,944	-93,488

Schedule L	Balance Sheets per Books	Beginning of tax year	End of tax year
		(a)	(b)
1	Cash		1,341,316
2a	Trade notes and accounts receivable	1,106,833	
b	Less allowance for bad debts		
3	Inventories	8,674	7,761
4	U.S. government obligations		
5	Tax-exempt securities		
6	Other current assets See Stmt 5 (attach statement)	81,384	82,454
7a	Loans to partners (or persons related to partners)		
b	Mortgage and real estate loans		
8	Other investments (attach statement)	1,912,646	
9a	Buildings and other depreciable assets	1,189,814	980,341
b	Less accumulated depreciation	722,832	652,775
10a	Depletable assets		
b	Less accumulated depletion		
11	Land (net of any amortization)		
12a	Intangible assets (amortizable only)	675,736	444,445
b	Less accumulated amortization	667,149	435,858
13	Other assets See Stmt 6 (attach statement)	943,933	998,499
14	Total assets	2,872,243	3,091,392
	Liabilities and Capital		
15	Accounts payable	1,246,422	1,131,766
16	Mortgages, notes, bonds payable in less than 1 year		
17	Other current liabilities See Stmt 7 (attach statement)	35,588	14,298
18	All nonrecourse loans		
19a	Loans from partners (or persons related to partners)		
b	Mortgages, notes, bonds payable in 1 year or more		
20	Other liabilities See Stmt 8 (attach statement)	570,266	1,604,055
21	Partners' capital accounts	1,019,967	341,273
22	Total liabilities and capital	2,872,243	3,091,392

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: The partnership may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books	-678,694	6	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a	Tax-exempt interest \$
3	Guaranteed payments (other than health insurance)		7	Deductions included on Schedule K, lines 1 through 13d, and 16p, not charged against book income this year (itemize):
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16p (itemize):		a	Depreciation \$
a	Depreciation \$		8	Add lines 6 and 7
b	Travel and entertainment \$		9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5
	See Statement 9	10,922		-667,772
5	Add lines 1 through 4	-667,772		

Schedule M-2 Analysis of Partners' Capital Accounts

1	Balance at beginning of year	1,019,967	6	Distributions: a Cash
2	Capital contributed: a Cash		b	Property
	b			
3	Net income (loss) per books	-678,694	7	Other decreases (itemize):
4	Other increases (itemize):		8	Add lines 6 and 7
5	Add lines 1 through 4	341,273	9	Balance at end of year. Subtract line 8 from line 5

Form 1125-A

(Rev. November 2018)
Department of the Treasury
Internal Revenue Service

Cost of Goods Sold

OMB No. 1545-0123

u Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.
u Go to www.irs.gov/Form1125A for the latest information.

Name

Little Darlings of San Francisco, L

Employer identification number

1	Inventory at beginning of year	8,674
2	Purchases	12,998
3	Cost of labor	
4	Additional section 263A costs (attach schedule)	
5	Other costs (attach schedule)	
6	Total. Add lines 1 through 5	21,672
7	Inventory at end of year	7,761
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions	13,911
9a	Check all methods used for valuing closing inventory:	
(i)	Cost	
(ii)	<input checked="" type="checkbox"/> Lower of cost or market	
(iii)	<input type="checkbox"/> Other (Specify method used and attach explanation.)	
b	Check if there was a writedown of subnormal goods	<input type="checkbox"/>
c	Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)	<input type="checkbox"/>
d	If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO	
e	If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
f	Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

For Paperwork Reduction Act Notice, see instructions.

Form 1125-A (Rev. 11-2018)

Form **5884**(Rev. December 2016)
Department of the Treasury
Internal Revenue Service

Name(s) shown on return

Work Opportunity Credit

OMB No. 1545-0219

u Attach to your tax return.
u Information about Form 5884 and its separate instructions is at www.irs.gov/form5884.Attachment
Sequence No.**77****Little Darlings of San Francisco, L**

			Identifying number
1	Enter on the applicable line below the total qualified first- or second-year wages paid or incurred during the tax year, and multiply by the percentage shown, for services of employees who are certified as members of a targeted group.		
a	Qualified first-year wages of employees who worked for you at least 120 hours but fewer than 400 hours	\$ 11,428 x 25% (0.25)	1a 2,857
b	Qualified first-year wages of employees who worked for you at least 400 hours	\$ 6,000 x 40% (0.40)	1b 2,400
c	Qualified second-year wages of employees certified as long-term family assistance recipients	\$ 9,484 x 50% (0.50)	1c 4,742
2	Add lines 1a, 1b, and 1c. See instructions for the adjustment you must make to salaries and wages		2 9,999
3	Work opportunity credit from partnerships, S corporations, cooperatives, estates, and trusts (see instructions)		3
4	Add lines 2 and 3. Cooperatives, estates, and trusts, go to line 5. Partnerships and S corporations, stop here and report this amount on Schedule K. All others, stop here and report this amount on Form 3800, Part III, line 4b		4 9,999
5	Amount allocated to patrons of the cooperative or beneficiaries of the estate or trust (see instructions)		5
6	Cooperatives, estates, and trusts, subtract line 5 from line 4. Report this amount on Form 3800, Part III, line 4b		6

For Paperwork Reduction Act Notice, see separate instructions.

Form **5884** (Rev. 12-2016)

Form **8846**Department of the Treasury
Internal Revenue Service**Credit for Employer Social Security and Medicare Taxes
Paid on Certain Employee Tips**

OMB No. 1545-0123

2020Attachment
Sequence No. **846**u **Attach to your tax return.**
u Go to www.irs.gov/Form8846 for the latest information.

Name(s) shown on return

Identifying number

Little Darlings of San Francisco, L**Note:** Claim this credit **only** for employer social security and Medicare taxes paid by a food or beverage establishment where tipping is customary for providing food or beverages. See the instructions for line 1.

1	Tips received by employees for services on which you paid or incurred employer social security and Medicare taxes during the tax year (see instructions)	1	878
2	Tips not subject to the credit provisions (see instructions)	2	
3	Creditable tips. Subtract line 2 from line 1	3	878
4	Multiply line 3 by 7.65% (0.0765). If you had any tipped employees whose wages (including tips) exceeded \$137,700, see instructions and check here	4	67
5	Credit for employer social security and Medicare taxes paid on certain employee tips from partnerships and S corporations	5	
6	Add lines 4 and 5. Partnerships and S corporations, report this amount on Schedule K. All others, report this amount on Form 3800, Part III, line 4f	6	67

For Paperwork Reduction Act Notice, see instructions.

Form **8846** (2020)

Federal Statements

FYE: 12/31/2020

Statement 1 - Form 1065, Page 1, Line 20 - Other Deductions

Description	Amount
Accounting	\$ 66,112
Advertising	21,727
Bankcard charges/chargebacks	41,834
Cash (Over)/Shortage	4,025
Consulting Fees	11,436
Dues and subscriptions	5,503
Insurance	84,825
Janitorial	38,986
Legal Fees	226,878
License Fees	11,821
Management Fees	-381,300
Miscellaneous	11,592
Office expense	2,064
Payroll Service Expense	12,159
Postage	921
Printing	1,267
Professional Services	7,105
Promotions	17,866
Security	93,517
Supplies	2,538
Telephone	15,653
Utilities	72,851
Vehicle Expenses	705
Total	\$ <u>370,085</u>

Statement 2 - Form 1065, Schedule K, Line 15f - Other Credits

Description	Amount
Work Opportunity Credit	\$ 9,999
Credit for Taxes Paid on Tips	67
Total	\$ <u>10,066</u>

Statement 3 - Form 1065, Schedule K, Line 18c - Nondeductible Expenses

Description	Amount
Tax Credit Adjustment	\$ 10,066
Penalties/Non-Deductible	856
Total	\$ <u>10,922</u>

Statement 4 - Form 1065, Schedule K, Line 20c - Other Items and Amounts

Description	Amount
See attached Section 199A Information Worksheet	\$

Federal Statements

FYE: 12/31/2020

Statement 5 - Form 1065, Schedule L, Line 6 - Other Current Assets

Description	Beginning of Year	End of Year
Prepaid Insurance	\$ 38,183	\$ 38,137
Prepaid Other Expenses	43,435	44,317
Employee Advances	-234	0
Total	\$ 81,384	\$ 82,454

Statement 6 - Form 1065, Schedule L, Line 13 - Other Assets

Description	Beginning of Year	End of Year
Refundable Deposits	\$ 26,978	\$ 16,978
Loans Receivable-Related Part	916,955	981,521
Total	\$ 943,933	\$ 998,499

Statement 7 - Form 1065, Schedule L, Line 17 - Other Current Liabilities

Description	Beginning of Year	End of Year
Salaries Payable	\$ 29,400	\$ 5,500
Business Tax Payable	6,188	
Payroll Taxes Payable		8,779
Sales & Use Taxes Payable		19
Total	\$ 35,588	\$ 14,298

Statement 8 - Form 1065, Schedule L, Line 20 - Other Liabilities

Description	Beginning of Year	End of Year
Loans Payable - Related Party	\$ 570,266	\$ 716,653
Loans Payable - PPP		887,402
Total	\$ 570,266	\$ 1,604,055

Statement 9 - Form 1065, Schedule M-1, Line 4 - Expenses Recorded on Books, Not on Sch K

Description	Amount
Penalties/Non-Deductible	\$ 856
Tax Credit Adjustment	10,066
Total	\$ 10,922

Year Ending: December 31, 2020

Little Darlings of San Francisco, L
8252 E Lansing Rd
Durand, MI 48429

Election to apply de minimis safe harbor rule to tangible property purchases

Under IRC sections 162(a) and 263(a), taxpayer hereby elects to apply the de minimis safe harbor rule to tangible property purchases as follows:

Taxpayer will expense the purchase of tangible property that may have a useful life of over 12 months and which cost less than \$2,500 as materials and supplies. Any such items that cost \$2,500 or more will be capitalized.